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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11

(Lead Case)
(Jointly Administered)

Related Docket Ref: Docket No. 1777

**DEBTORS' OMNIBUS REPLY IN
FURTHER SUPPORT OF THE WILDFIRE
ASSISTANCE PROGRAM MOTION**

Date: May 22, 2019

Time: 9:30am (Pacific Time)

Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

1 The Debtors submit this omnibus Reply in further support of their *Motion Pursuant*
2 *to 11 U.S.C. §§ 105(a) and 363(b) and Fed. R. Bankr. P. 2002 and 6004(h) for an Order (a)*
3 *Authorizing Debtors to Establish and Fund Program to Assist Wildfire Claimants with Alternative*
4 *Living Expenses and Other Urgent Needs and (b) Granting Related Relief* [Docket No. 1777] (the
5 “**Assistance Motion**”)¹ and in connection with the responses filed to the Assistance Motion.²

6 In a good faith effort to provide some immediate relief from circumstances arising
7 from the 2017 and 2018 Northern California wildfires, the Debtors filed the Assistance Motion.
8 Pursuant to the Assistance Motion, the Debtors are seeking to establish an independently
9 administered fund in the aggregate amount of \$105 million — with no commitment to fund
10 additional amounts — to provide some assistance to defray the costs of substitute or temporary
11 housing and other urgent needs of certain individuals who are either uninsured or still in need of
12 assistance. The Debtors concluded that funding and establishing the Wildfire Assistance Program
13 to aid those displaced by the 2017 and 2018 Wildfires represents a sound exercise of their business
14 judgment. There is no representation by the Debtors in the Assistance Motion that the amount to

15 ¹ All capitalized terms used in this reply have the meanings assigned to them in the Assistance
16 Motion, unless otherwise noted.

17 ² The *Response to Debtors’ Motion Pursuant to 11 U.S.C. §§ 105(a) and 363(b) and Fed. R.*
18 *Bankr. P. 2002 and 6004(h) for an Order (a) Authorizing Debtors to Establish and Fund Program*
19 *to Assist Wildfire Claimants with Alternative Living Expenses and Other Urgent Needs and (b)*
20 *Granting Related Relief* [Docket No. 2011], the *Official Committee of Tort Claimants’ Limited*
21 *Joinder, Objection and Counter Motion to Debtors’ Wildfire Assistance Program Motion* [Docket
22 *No. 2013]* (the “**TCC Objection**”), the *International Brotherhood of Electrical Workers, Local*
23 *Union No. 1245’s Statement in Support and Further Response Regarding Motion Pursuant to 11*
24 *U.S.C. §§ 105(a) and 363(b) and Fed. R. Bankr. P. 2002 and 6004(h) for an Order (a)*
25 *Authorizing Debtors to Establish and Fund Program to Assist Wildfire Claimants with Alternative*
26 *Living Expenses and Other Urgent Needs and (b) Granting Related Relief* [Docket No. 2018], the
27 *Corrected Objection of the Official Committee of Unsecured Creditors to Motion of Debtors*
28 *Pursuant to 11 U.S.C. § 105(a) and 363(b) and Fed. R. Bankr. P. 2002 and 6004(h) for an Order*
(a) Authorizing Debtors to Establish and Fund Program to Assist Wildfire Claimants with
Alternative Living Expenses and Other Urgent Needs and (b) Granting Related Relief [Docket No.
2041], the *Joinder of the Ad Hoc Committee of Senior Unsecured Noteholders to Objection of the*
Official Committee of Unsecured Creditors to Debtors’ Wildfire Assistance Motion [Docket No.
2058], and the *Response of the United States Trustee to the Wildfire Assistance Program Motion*
(ECF No. 1777) and Reservation of Rights [Docket. No. 2068] (together, the “**Responses**”).

1 be funded pursuant to the Assistance Motion and outside of a chapter 11 plan will defray all of the
2 costs that may be related to Alternative Living Expenses and other urgent needs of certain of the
3 Wildfire Claimants. As a result, the Debtors stand willing and ready to establish the Wildfire
4 Assistance Fund in the amount of \$105 million on the terms set forth in the Assistance Motion.

5 The Official Committee of Tort Claimants (the “TCC”), however, has objected to
6 the Assistance Motion and, in the same pleading, brought a cross motion (the “**Cross-Motion**”)
7 seeking an order compelling the Debtors to increase the Wildfire Assistance Fund to \$250 million,
8 subject to unlimited replenishment. Notably, the TCC cites no legal authority to support the novel
9 relief it is seeking because there is none.³ Further, to the extent that the Court would even entertain
10 the relief sought by the TCC in the Cross-Motion, it should be set for hearing on appropriate notice,
11 at a later date, with all parties in interest being afforded the opportunity to submit responsive
12 pleadings.

13 Lastly, contrary to the objections interposed by the Official Committee of
14 Unsecured Creditors and other parties in interest, the Debtors believe that there is authority to grant
15 the relief requested under the circumstances and that appropriate mechanisms exist to guard against
16 claimants being paid twice in these Chapter 11 Cases. Indeed, claimants must account for any
17 payments they have received on their claims when they file a proof of claim in these cases.

18 The Debtors are open to the inclusion of an appropriate mechanism in the program
19 that will help prevent the estates from inadvertently making duplicative payments to Wildfire
20 Claimants, to giving both Committees limited consultation rights with the Administrator, or to
21 making other reasonable changes to the parameters of the Wildfire Assistance Program. However,
22 these parameters should not unduly delay the administration of the Wildfire Assistance Program or

23 _____
24 ³ The TCC’s reliance on the customary prayer for relief at the end of virtually every pleading that the
25 moving party seeks “such other and further relief as the Court may deem just and appropriate” (TCC
26 Objection at p. 11) to justify compelling the Debtors to increase the size of the fund, and the TCC’s
27 reliance on the Restatement of Torts in an attempt to create administrative expense claims based
28 exclusively on prepetition conduct, plainly epitomize the complete lack of substance of its legal
argument that an increase in the fund can be compelled.

1 result in the incurrence of additional unnecessary expenses. The Debtors determined that an
2 experienced, independent Administrator is best-equipped to implement the program and bring some
3 relief to those affected in a fair but timely manner and are cautious of imposing too much
4 conditionality upon the Wildfire Assistance Program or burdensome oversight on the
5 Administrator. If the program becomes a complex, time-consuming “mini-claims” process, its
6 purpose—to provide urgent relief to certain Wildfire Claimants most in need—will be defeated.

7 Accordingly, the Debtors request that the Assistance Motion be granted, as
8 proposed, that all objections in the Responses be overruled and that the TCC’s Cross-Motion be
9 denied or a hearing thereon be deferred after appropriate notice.

10 Dated: May 20, 2019

11 **WEIL, GOTSHAL & MANGES LLP**

12 **KELLER & BENVENUTTI LLP**

13 /s/ Stephen Karotkin

14 Stephen Karotkin

15 *Attorneys for Debtors and Debtors in Possession*